

FOR IMMEDIATE RELEASE
June 4, 1996

FOR INFORMATION CONTACT: EX PARTE OR LATE FILED
Joe Chandler
BellSouth Telecommunications
(404) 529-6235

Mike Luftman
Time Warner Cable
(203) 328-0613

POVICH
96-08
RECEIVED

JUL 25 1996

BELLSOUTH SIGNS REGIONAL LOCAL
INTERCONNECTION AGREEMENT WITH TIME WARNER

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

ATLANTA, GA.--June 4, 1996--BellSouth (NYSE: BLS), and Time Warner Communications, two of the leading communications companies in the country, announced they've signed a two-year agreement which will enable Time Warner to begin providing local phone service in direct competition with BellSouth soon. This agreement is significant in that these two competitors have negotiated a pact that will enhance competition in the southeast and provide millions of customers a choice of who provides them local telephone service. This is the first regional interconnection agreement signed by BellSouth that complies with key requirements detailed in the national telecommunications legislation enacted earlier this year. It's also the second regional agreement BellSouth has signed with a major competitor since the legislation was passed.

"This agreement builds on the pro-competitive position that we've consistently demonstrated in our negotiations with our competitors," stated Charlie Coe, Group President - Customer Operations for BellSouth. "It promises to bring more choices to businesses and consumers in the fastest growing part of the country," added Coe.

While the agreement applies to the entire nine-state BellSouth region, Time Warner currently has plans to build networks in order to provide local phone service in Florida, North Carolina and Tennessee. BellSouth serves over 10 million phone lines in these three states which contain many of the top markets for the company.

"Time Warner is pleased with this agreement with BellSouth because it will speed our efforts to bring competitive local telephone service to business and residential consumers in some

No. of Copies rec'd
List ABCDE

2

of our most important operations in the southeastern U.S.," said Thomas J. Morrow, president of Time Warner Communications.

The agreement establishes the groundrules under which the two telephone companies will interconnect their networks, including: non-discriminatory rates, terms and conditions for local interconnection and interim number portability; as well as an offer to Time Warner to resell BellSouth's telecommunications services and access to its unbundled network elements.

As a result of this agreement, BellSouth has taken another step closer to being able to enter the long distance market place in its region. "This agreement contains all the checklist items required by the national legislation and is further proof that competition in our local markets is imminent," stated Coe. "By meeting these checklist requirements, we move closer to being allowed to offer long distance to our customers in the southeast. Our customers have indicated this is a service they want from us and it's a business we're actively positioning ourselves to be in as soon as we can," added Coe.

This deal is announced as the Federal Communications Commission and various state commissions open proceedings on the terms of implementing local competition. This agreement meets the intent of the national legislation because these companies, with much at stake in the new environment, have negotiated the mutually agreed-upon set of terms by which they will compete against each other in the local telephone market. Various state commissions in the southeast must now approve the agreement so that competition in the local exchange can begin.

"This agreement is an excellent first step in our effort to compete in BellSouth's region," said Morrow. "Now, we can move quickly forward with our preparations to offer a competitive local service. As the new telecommunications law stipulates, only when new providers are actually in the marketplace offering customers a real choice of service will true competition exist."

Time Warner Cable is the nation's second largest cable television operator, currently serving, with affiliated companies, 11.7 million customers in 37 states. It is a unit of Time Warner Entertainment Company, L.P.

BellSouth is a \$17.9 billion communications services company. It provides telecommunications, wireless communications, directory

advertising and publishing and other information services to more than 25 million customers in 17 countries worldwide. Its telephone operations provides service over one of the most modern telecommunications networks in the world for approximately 21 million telephone lines in a nine-state region that includes Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

###

Summary - Time Warner Agreement

06/04/96

- * The Agreement covers nine states and specifically includes the Time Warner entities of Digital Media Partners, Time Warner AXS of Florida, Time Warner Communications of North Carolina, and Time Warner AXS of Tennessee. The other Time Warner entities may be added throughout the term of the Agreement. The term is two years.
- * The Agreement states that the parties agree that the provisions of the Agreement are consistent with the checklist requirements of the Act.
- * The charge for interconnection is a flat rate of \$.01 applicable in any of the states. The charge is reciprocal. The rates are based on an average of the switched access rates, less the interconnection charge and the CCLC. There is a 105% cap on compensation to address out of balance traffic. Interconnection may be established at any technically feasible point and may be through physical collocation, virtual collocation, or through the purchase of transport facilities.
- * The first six months of operation will be a testing period and as such, there will be no charges accrued or compensation paid. The parties will exchange billing information and usage data. There are three six month periods that follow, each of which have a threshold billing amount of \$40,000, \$30,000 and \$20,000. The threshold amount is calculated prior to application of the cap. The threshold billing amount will be \$0.00 for any period after the expiration of the Agreement but prior to the execution of a new agreement.
- * The Agreement provides for interim number portability in all states at the following rates: Residential services --\$1.15 for up to 6 paths, \$.50 for each additional path; Business services -- \$2.25 for up to 10 paths, \$.50 for each additional path.
- * BellSouth will provide Time Warner nondiscriminatory access to numbering resources and will provide access to 911/E911; will provide directory listings and directory distribution; will provide both remote call forwarding and DID interim number portability; will provide access to poles, ducts, conduits, and rights of way; and BellSouth will offer Time Warner nondiscriminatory access to unbundled network elements, access to directory assistance and operator call completion services, unbundled loops, unbundled

switching, and unbundled transport. The Agreement also authorizes Time Warner to resell BellSouth's telecommunications services.

* The Agreement includes a "More Favorable Provisions" clause. The clause allows the parties to substitute more favorable terms and conditions as a result of any proceeding before a court, commission, or FCC, voluntary agreement or arbitration proceeding pursuant to the Act.

MASTER INTERCONNECTION AGREEMENT

This Master Interconnection Agreement (the "Agreement") is entered into effective the 1st day of June, 1996 by and between the telecommunications entities set forth on Exhibit A hereto (referred to as "Company" or as the "Companies") and BellSouth Telecommunications, Inc. ("BellSouth") (collectively the "Parties") for the purpose of determining the rates, terms, and conditions for the interconnection of the Parties' telecommunication networks within the States of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee (the "Territory").

RECITALS AND PRINCIPLES

A. BellSouth is a Local Exchange Carrier authorized to provide certain telecommunications services within specific service areas in the Territory;

B. BellSouth has and continues to be the incumbent provider of local exchange telephone service within its service areas in the Territory;

C. The Companies have made application and have been granted authority to provide local exchange telephone services in portions of the Territory and will continue to expand their authority to provide such services throughout the entire Territory including, without limitation, areas within BellSouth's service areas in the Territory for the purpose of providing alternative or competitive services;

D. The parties desire to interconnect their telecommunications networks and facilities, purchase unbundled services and features, and exchange traffic so that their respective customers may communicate with each other over and through such networks and facilities;

E. The Parties desire to enter into this Agreement consistent with all applicable federal, state and local statutes, rules and regulations in effect as of the date of its execution including, without limitation, the Act at Sections 251, 252 and 271 and to replace any and all other prior agreements, both written and oral, including, without limitation, that certain Stipulation and Agreement dated December 7, 1995 applicable to the State of Florida concerning the terms and conditions of interconnection; and

F. The Parties enter into this Agreement for the purpose of facilitating the introduction of local exchange telephone competition on an expedited basis and avoiding the uncertainty and expense of mediation, arbitration and/or litigation and to establish the rates, terms, conditions and mechanisms necessary to facilitate such competition.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

1.01 **Act** - means the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996.

1.02 **Access Service Request ("ASR")** - means an industry standard form used by the Parties to add, establish, change or disconnect trunks for the purposes of Interconnection.

1.03 **Affiliate** - means any person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this Paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than ten percent (10%). Person shall mean any individual, partnership, corporation, company, limited liability company association, or any other legal entity authorized to transact business in any State in the Territory.

1.04 **Alternate Local Exchange Carrier ("ALEC")** - means any local exchange telecommunications company authorized to provide telecommunications services or exchange services in one or more areas of the Territory after January 1, 1995.

1.05 **Automated Report Management Information System ("ARMIS")** - means the most current ARMIS 4308 report issued by the Federal Communications Commission ("FCC").

1.06 **Bell Communications Research ("Bellcore")** - means an organization owned jointly by the seven Bell regional holding companies that conducts research in development projects for its seven owners, including development of new telecommunications services. Bellcore also provides certain centralized technical and management services for the regional holding companies.

1.07 **Calling Party Number ("CPN")** - means a Common Channel Signaling parameter which refers to the number transmitted through the network identifying the calling party.

1.08 **Central Office Switch, ("Central Office") ("CO")** - means a switching entity within the public switched telecommunications network, including but not limited to:

a. **End Office Switches** which are Class 5 switches from which end user Telephone Exchange Services are directly connected and offered.

b. **Tandem Office Switches** which are Class 4 switches which are used to connect and switch trunk circuits between and among Central Office Switches.

1.09 **Billing Number** - means the number to which charges for a call are billable.

1.10 **Carrier Identification Code ("CIC")** - means a three or four digit number assigned to an IXC that identifies that carrier's traffic.

1.11 **Centralized Message Distribution System ("CMDS")** - means the billing record and clearing house transport system that the Regional Bell Operating Companies (RBOCs) and other incumbent LECs use to efficiently exchange out collects and in collects as well as Carrier Access Billing System ("CABS") records.

1.12 **Commission** - means any state administrative agency to which the United States Congress or any state legislative body has delegated any authority to supervise or regulate the operations of Local Exchange Carriers pursuant to the Act or state constitution or statute such as a Public Utilities Commission or Public Service Commission.

1.13 **Common Channel Interoffice Signaling ("CCIS")** - means a signaling system, developed for use between switching systems with stored-program control, in which all of the signaling information for one or more groups of trunks is transmitted over a dedicated high-speed data link using SS7 protocol.

1.14 **Control Office** - is an exchange carrier center or office designated as its company's single point of contact for the provisioning and maintenance of its portion of interconnection arrangements.

1.15 **Customer Local Area Signaling Services ("CLASS")** - means features available to end users based on the availability of CCIS. Class features include, but are not necessarily limited to: Automatic Callback; Call Trace, Caller ID and related blocking features; Distinctive Ringing/Call Waiting; Selective Call Forward; Selective Call Rejection.

1.16 **Digital Service - Level 0 ("DS-0")** - means a digital signal rate of 64 kilobits per second ("kbps").

1.17 **Digital Service - Level 1 ("DS-1")** - means a digital signal rate of 1.544 Megabits Per Second ("Mbps").

1.18 **Digital Service - Level 3 ("DS-3")** - means a digital signal rate of 44.736 Mbps.

1.19 **Electronic File Transfer** - means any system/process which utilizes an electronic format and protocol to send/receive data files.

1.20 **Exchange Access** - means the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services from or to Exchange Service customers in a given area pursuant to a switched access tariff. Exchange Access does not include traffic exchanged between LECs and ALECs for purpose of local traffic interconnection.

1.21 **Exchange Service** - means the definition of telephone exchange service found at §3(1)(A) and (B) of the Act which shall be interpreted to include any services offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on, the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications

network. Exchange Service includes basic residence and business line service, PBX trunk line service, pay phone access line service, Centrex line service and ISDN line services. Exchange Service does not include Private Line, Exchange and Special Access services.

1.22 **Feature Group A ("FGA")** - means the FGA Access, which is available to all customers, provides line side access to Telephone Company end office switches with an associated seven digit local telephone number for the customer's use in originating and terminating communications to an Interexchange Carrier's Service.

1.23 **Feature Group B ("FGB")** - means the FGB Access, which is available to all customers, except for the termination of originating calls placed over FGD by AT&T, provides trunk side access to Telephone Company end office switches with an associate uniform 950-XXXX or 950-1XXXX access code for the customer's use in originating and terminating communications to an Interexchange Carrier's Service.

1.24 **Feature Group D ("FGD")** - means the FGD Access, which is available to all customers, provides trunk side access to Telephone Company end office switches with an associated uniform 10XXXX access code for the customer's use in originating and terminating communications. FGD Access may also be used to originate and terminate 800 and 900 Access Service calls. FGD Access may be used to originate 950-XXXX calls where the customer has elected the FGD with 950 access feature.

1.25 **Interconnection** - means the connection of equipment and facilities within, between or among networks for the transmission and routing of Exchange Service and Exchange Access. Interconnection shall include nondiscriminatory access to signaling systems, routing databases, facilities and information and provision of Service Provider Number Portability as required to ensure interoperability of networks and efficient, timely provision of services to end-user customers without permitting access to network proprietary network information, unless otherwise permitted. Interconnection shall also include dialing parity as defined by the Act at Section 3(a)(39).

1.26 **Interexchange Carrier ("IXC")** - means a telecommunications service provider authorized by the FCC to provide interstate long distance communications services between LATAs and are authorized by a state Commission to provide long distance communications services but not Exchange Services within the state borders (except under separate authority as a LEC or ALEC).

1.27 **Integrated Services Digital Network ("ISDN")** - means a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data.

1.28 **Local Access and Transport Area ("LATA")** - as defined by the Act, means a contiguous geographic area - (A) established before the date of enactment of the Act by a BellSouth operating company such that no exchange area includes points within more than one (1) metropolitan statistical area, consolidated metropolitan statistical area, or state, except as expressly permitted under the AT&T consent decree; or (B) established or modified by a BellSouth operating company after such date of enactment and approved by the Commission.

associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that Geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" ("SAC Code") means specialized telecommunications service which may be provided across multiple geographic NPA areas such as 500, Toll Free Service NPAs, 900 and 700

1.39 **NXX Code ("NXX")**, Central Office Code ("CO Code") - means the three digit switch entry indicator which is defined by the "D", "E" and "F" digits of a 10-digit telephone number within the NANP containing 10,000 station numbers.

1.40 **OZZ Codes** - define FGD call paths through a LEC's access Tandem Office Switch.

1.41 **Percent Local Usage ("PLU")** - means a calculation representing the ratio of the local minutes to the sum of local and intraLATA toll minutes and interLATA minutes, if any, between LECs sent over Local Interconnection Trunks. PLU does not include directory assistance, busy line verification, busy line verification interrupt, 900 and 976 calls.

1.42 **Rating Point** - means the vertical and horizontal coordinates associated with a particular telephone number for rating purposes.

1.43 **Routing Point** - means a location which a LEC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC which bears a certain NPA-NXX designation and is employed to calculate mileage measurements for the distance-sensitive transport element charges of Exchange Access Services.

1.44 **Signal Transfer Point ("STP")** - means a packet switching function that routes signaling messages among Service Switching Points ("SSPs"), Service Control Points ("SCPs"), Signaling Point ("SPs"), and other STPs in order to set up calls and to query databases for advanced services.

1.45 **State** - means a state within the Territory, as the context requires

1.46 **Territory** - means all portions of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee in which BellSouth or an affiliate is authorized, or may in the future be authorized, to provide Exchange Services and maintain a Central Office and in which the Companies or their affiliates at any time during the term of this Agreement are authorized to provide Exchange Services and also maintain a Central Office.

1.47 **Transit Calls or Intermediary Function** - means intraLATA calls (local and toll) sent between the Parties originating from or terminating to an end user of a third-party LEC, ALEC, wireless provider, or other carrier or calls sent between the Parties destined for or originating from an EXC.

1.48 **Toll Free Service** - means service provided with any dialing sequence that invokes toll-free (i.e. 800-like) service processing. Toll Free Service includes calls to the Toll Free Service 800/888 NPA SAC codes

3.01 Interconnection Obligation. The Parties agree to interconnect their networks through facilities to be established pursuant to this Agreement between the Companies' Central Offices and BellSouth's Central Offices as designated by the Companies from time to time.

3.02 POI. For each BellSouth Central Office where a Company and BellSouth interconnect for the exchange of local and intraLATA toll and meet point access traffic, the Company and BellSouth agree that there will be Point(s) of Interconnection ("POI") located at the demarcation point between the Company's network and BellSouth's Central Office. Subject to the Act, a Company may elect to establish the POI for each such Central Office through physical collocation, virtual collocation, or may purchase transport facilities. BellSouth shall not charge rearrangement, reconfiguration, disconnection or other non-recurring fees associated with the reconfiguration of the Company's interconnection arrangement at any BellSouth Central Office.

3.03 Sizing and Structure of Interconnection Facilities. The Parties shall each determine the appropriate sizing for its interconnection facilities based hereunder on the standards set forth in Section XI, below. The interconnection facilities provided by each Party shall be at either the DS-0, DS-1 or DS-3 level, according to mutual forecasts and sound engineering practice, as mutually agreed to by the Parties during planning - forecasting meetings.

3.04 Trunks. Interconnection for local and intraLATA toll traffic will be provided via one-way trunks, or such interconnection may be provided via two way trunks by issuance of an ASR from a Company. Two-way trunks will be established to exchange interLATA toll and meet point access traffic. No Party will construct facilities which require another Party to build unnecessary facilities.

3.05 Signaling Protocol. The Parties will interconnect their networks using SS7 signaling as defined in GR-317 and GR-394, including ISDN User Part ("ISUP") for trunk signaling and Transaction Capabilities Application Part ("TCAP") for CCIS-based features. The Companies will establish outgoing multifrequency ("MF") trunks to BellSouth for 911 traffic. The Parties will interconnect their network using two-way MF signaling for traffic originating from carriers that do not have SS7 networks.

3.06 In the event BellSouth must decommission a Central Office or switch, BellSouth shall not charge the Companies for moving EIS/collocation arrangements.

3.07 Pursuant to Section 251(c)(5) of the Act, BellSouth shall provide forty-five (45) days written notice to the Companies before making any changes to BellSouth's network configuration that may have an impact on the Companies' interconnection, facilities, network or operations.

3.08 Nothing herein shall prevent any Company from utilizing existing collocation facilities, purchased from the interexchange tariffs, for local interconnection; provided, however, that if a Company orders new facilities for Interconnection or rearranges any facilities presently used for its alternate access business in order to use such facilities for local interconnection hereunder and a BellSouth charge is applicable thereto, BellSouth shall only charge such Company the lower of the interstate or intrastate tariffed rate or promotional rate.

3.09 ALEC to ALEC Connections BellSouth will allow TWC and all other carriers collocated at the same BellSouth Central Office to directly connect their facilities at such Central Office for the purpose of exchanging Local Traffic without use of the BellSouth Tandem Office Switch. Tariffed cross connect charges shall apply.

ARTICLE IV MEET-POINT TRUNKING ARRANGEMENTS

4.01 Two-way meet point trunks which are separate from the Local Interconnection Trunk Groups will be established to enable the Company and BellSouth to provide Exchange Access Services to IXCs via a BellSouth Central Office. No Party shall charge the other any amount for any meet point facilities unless one Party is ordering trunks from the other.

4.02 The Parties will provide CCIS to each other, where and as available, in conjunction with meet point two-way trunk groups. Companies may establish CCIS interconnections either directly or through a third-party. The Parties will exchange TCAP messages to facilitate full inter-operability of CCIS-based features between their respective networks, including all CLASS features and functions to its own end users. The Parties will provide all CCIS signaling, Billing Number, originating line information ("OLI") and any other such similar service. For terminating FGD, BellSouth will pass CPN if it receives CPN from FGD carriers. All privacy indicators will be honored. Where available, network signaling information such as Transit Network Selection ("TNS") parameter (CCIS platform) and OZZ/CIC information (non-CCIS environment) will be provided by a Company whenever such information is needed for call routing or billing. The Parties will follow all OBF adopted standards pertaining to TNS and OZZ/CIC codes.

4.03 CCIS shall be utilized in conjunction with two way meet point trunks; except MF signaling must be used on a separate meet point trunk group for originating FGD access to Exchange Access customers that use MF FGD signaling protocol.

4.04 All originating Toll Free Service calls for which BellSouth performs the Service Switching Point ("SSP") function (e.g. performs the database query) shall be delivered by the Companies using GR-394 format over a trunk group designated for Toll Free Service. Carrier Code "0110" and Circuit Code of "08" shall be used for all such calls. In the event the Companies become a toll free service provider, BellSouth shall deliver traffic using the GR-394 format over a trunk group designated for Toll Free Service.

4.05 All originating Toll Free Service calls for which a Company performs the SSP function, if delivered to BellSouth, shall be delivered by the Company using GR-394 format over the meet point trunk group for calls destined to IXCs, or shall be delivered by the Company using GR-317 format over the Local Interconnection Trunk Group for calls destined to end offices that directly subtend BellSouth access tandems.

4.06 Originating Feature Group B calls shall be delivered to BellSouth's tandem using the interLATA trunk groups.

4.07 The Parties agree: (a) to a multiple bill arrangement as described in MECAB, (b) to adopt MECAB as the terms and conditions for meet point billing for all traffic to which MECAB applies which includes traffic terminating to ported numbers, and (c) to employ a 30 day billing period for meet-point billing, and shall provide each other, at no charge and at least once a month, the Exchange Access detailed usage data.

4.08 Each Party will provide the other with the Exchange Access detailed usage data within fifteen (15) days of the end of the billing period. Each Party will provide to the other the Exchange Access summary usage data within fifteen (15) days of the date that a bill is rendered to the IXC by the initial billing party.

4.09 In the case of IXC traffic terminating to the Companies ported numbers, the Parties will, unless IXC actual minutes of use can be measured, account for access revenue on a State-by-State basis by using verifiable BellSouth/Company interstate and intrastate minutes of use reported on the applicable ARMIS report at the total IXC access rates applicable to BellSouth less the BellSouth/Company meet point access minutes at the meet point billing access rates applicable to BellSouth, with no other subtractions.

4.10 The meet point billing process in accordance with this Article shall apply to all Toll Free Service calls where the provider is an IXC. Each Party shall be responsible for billing its portion of the charges described herein.

4.11 If any Party provides intermediary functions for network access service connection between an IXC and another Party, each Party will provide their own network access services to the IXC on a meet-point basis. The meet-point billing arrangement will be through the multiple bill. Each Party will bill its own network access services rates to the IXC with the exception of the residual interconnection charge. Each Party shall bill 50% of its residual interconnection charges in such case.

ARTICLE V

INTERCONNECTION TRUNK ARRANGEMENT AND COMPENSATION

5.01 The Parties shall reciprocally terminate Local Traffic and intraLATA toll calls originating on each other's networks, as follows:

a. The Parties shall make available to each other one-way trunks for the reciprocal exchange of Local Traffic and intraLATA toll traffic.

b. The Parties will provide CCIS to one another in conjunction with all trunk groups where applicable. The Companies may establish CCIS interconnections either directly or through a third party. The Parties will exchange TCAP messages to facilitate full interoperability of CCIS-based features between their respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its own end users. All CCIS signaling parameters will be provided including CPN. All privacy indicators will be honored.

c. BellSouth will make available to the Companies, as needed, 54 Kbps Clear Channel Capability ("64K CCC") trunks. Upon receipt of the Companies' initial forecast of 64K CCC quantities, the Parties will begin joint planning for the engineering, procurement, and installation of the segregated 64K CCC Local Interconnection Trunk Groups, and the associated Bipolar 8 Zero Substitution (B8ZS) ESF facilities, for the sole purpose of transmitting 64K CCC data calls between the Company and BellSouth. In no case will these trunks be used for voice calls. Where such trunks and/or additional equipment is required, such equipment and trunks will be obtained, engineered, and installed on the same basis and with the same intervals as any similar growth job for DXC, ALEC, or BellSouth internal customer demand for 64K CCC trunks. Where technically feasible, these trunks will be established as two-way.

d. The Companies may opt at any time to terminate to BellSouth some or all Local Traffic and intraLATA toll traffic originating on its network via a combined two-way trunk group. In such case, the Company will provide a PLU to BellSouth or actual minutes of use.

e. No Party shall represent Exchange Access traffic as Local Interconnection Traffic.

f. BellSouth shall deliver all traffic destined to terminate at a Company's Central Office in accordance with the serving arrangements defined in the LERG.

g. When a Company delivers over the Local Interconnection Trunk Group miscellaneous non-local calls (i.e. time, weather, 900, Mass Calling Codes) destined for BellSouth, it shall deliver such traffic in accordance with the serving arrangements defined in the LERG.

h. Calls completed using N11 codes (i.e. 411, 511, 911) shall not be sent between the Companies and BellSouth's networks over the Local Interconnection Trunk Groups.

i. The Parties acknowledge that there are certain types of calls that require exchange of billing records between the Parties. These types of records include intraLATA alternate billed calls (e.g. calling card, bill-to-third party, and collect records and LEC/ALEC-provided Toll Free Service records). The exchange of billing records for calls of this type that are intraLATA will be handled through the existing CMDS processes. The payments of revenues for these types of calls will be handled through Calling Card and Third Number Settlement ("CATS") with the CMDS host and specific arrangements with BellSouth. The Parties will exchange records of Local Transit Traffic on the same basis as provided in Paragraph 4.08 with respect to Exchange Access meet point billing records.

5.02 Compensation for Call Termination. The following compensation rates shall apply for traffic delivered between the Parties pursuant to this Agreement.

a. The delivery of Local Traffic between Companies and BellSouth shall be reciprocal and compensation shall be mutual. Subject to the method of calculation set forth in this Paragraph 5.02, the Parties shall pay each other \$.010 per minute of use for terminating Local Traffic (other than Transit Calls constituting Local Traffic) on each other's networks.

The Parties acknowledge that this per minute compensation represents an average of the tariffed Exchange Access rates in all of the States within the Territory. If, for any reason, there is a decrease of any such tariffed Exchange Access rate, at any time during the term of this Agreement, in one or more States by an amount of \$.001 or more, the per minute rate of compensation required by this Paragraph 5.02(a) shall be automatically reduced by a corresponding amount. For example, for the purposes of this Agreement, the Parties have agreed that the tariffed Exchange Access rate in Tennessee is \$.018. If the Tennessee rate is reduced by \$.001, the per minute of use compensation to be paid pursuant to this Agreement shall be reduced to \$.009.

b. For purposes of this Paragraph 5.02(b) there shall be four (4) calculation periods of six months each. In calculating the compensation required by Paragraph 5.02(a) no Party shall owe compensation to the other unless the net minutes of use (i.e., the difference between the Parties' minutes of use calculated by subtracting the lower number of minutes used by the Party with the lower number from the number of minutes used by the Party with the higher number) for terminating local traffic results in a dollar amount in excess of the amount designated for each month during the calculation period as follows:

1. During the first six month period of operation, there shall be no charges accrued, or compensation paid for the termination of local traffic; however, the Parties shall exchange billing information and usage data during this initial period for the purpose of reviewing same for accuracy only;
2. During the second six month period, \$40,000 per month/ billing period;
3. During the third six month period, \$30,000 per month/ billing period;
4. During the fourth six month period, \$20,000 per month/ billing period; and
5. During any extension of this Agreement pursuant to Article II, Paragraph 2.03, \$0 per month/billing period.

The Parties acknowledge and agree that any compensation which might accrue in an amount less than that required by this Paragraph shall be considered to be de minimis. The "initial six month period" for purposes of applying this de minimis rule in each State shall begin with the date the first call is completed under the Interconnection arrangement provided for herein in such State, and each subsequent period shall begin when the prior period expires. As a result, the periods described in this Paragraph 5.02(b) may not run concurrently in the various States. In the event that the first call is completed on a date other than the first day of a month, the balance of that month shall be treated as included in the initial six month period, but such period will end on the last day of the sixth full calendar month after the date of such first call completion so that thereafter the six month periods referred to in this Paragraph 5.02(b) shall

always be determined on a calendar month basis. In the event that the Parties so agree, monthly billing and calculation periods for any State under this Paragraph 5.02(b) may begin on a day other than the 1st day of a month.

c. If after applying the de minimis rule calculations in accordance with Paragraph 5.02(b) to a particular billing month a Party would be required to compensate another Party, the compensation due shall not exceed 105% of the total billed Local Traffic minutes of use of the Party with the lower total billed Local Traffic minutes of use in the same billing period. For this purpose the number of minutes of the Party with the lower total billed minutes of use shall be deemed to be such Party's actual billed local minutes of use (excluding Local Traffic minutes of use constituting Transit Calls). Total billed Local Traffic minutes of use of a Party for purposes of this Paragraph shall be as recorded by the Party receiving the terminating traffic (subject to reconciliation with the Party originating the traffic if its recordings of such minutes of use materially differ) and shall be aggregated for each Party and any of its Affiliates providing local exchange telecommunications services under the Party's Certificate of Authorization. The Parties shall submit bills for terminating Local Traffic minutes of use on a monthly basis by the 30th day of the following month, but payment shall be due within 45 days after the end of the six month periods referred to in clauses (2)-(5) of Paragraph 5.02 (b).

d. The Parties will compensate each other on the basis of Mutual Traffic Exchange for the provision of intermediary tandem switching and transport services with respect to Transit Calls constituting Local Traffic.

e. The delivery of intrastate toll traffic between the Company and BellSouth shall also be reciprocal and compensation will be mutual. Each Party shall pay each other identical rates for terminating the same type of traffic on each other's network. The Parties will pay each other BellSouth's intrastate Exchange Access rate elements on a per minute of use basis for originating and terminating intrastate toll traffic as appropriate.

The following service elements shall apply to intraLATA toll calls (including Toll Free Service Calls whether the provider is a Company or BellSouth), except that certain elements may be inapplicable with collocation:

- Tandem switched transport:
 - Fixed - per minute of use
 - Variable - per minute per mile of use; provided, however, that an average mileage of 5 miles shall apply to all intraLATA toll traffic regardless of the actual mileage between the access tandem and the BellSouth end office.
- Tandem switching - per minute of use
- Interconnection charge (IC) - per minute of use

- Local switching - per minute of use
- Carrier Common Line - per minute of use
- 800 query charge - per query
- Record provisioning charge for intraLATA 800 records - per record

The applicable rates for the above elements can be found by reference to BellSouth access tariffs.

5.03 For intraLATA toll free service, access shall be charged by the Party originating the call rather than the Party terminating the call.

5.04 Each Party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting ("AMA") recordings made within each Party's network.

5.05 Measurement of minutes of use over Local Interconnection Trunk Groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly billing cycle and then rounded to the next whole minute.

5.06 Late payment fees, not to exceed 1% per month may be assessed, if interconnection charges are not paid, within thirty (30) days of the due date.

5.07 For so long as BellSouth serves as numbering administrator within the Territory, BellSouth shall ensure that the Companies have on a nondiscriminatory basis sufficient numbering resources so that the Parties can distinguish Local Traffic (measured and flat rate) from intraLATA toll traffic. To the extent that BellSouth controls numbering resources and does not comply with the foregoing, all affected calls will be treated as Local Traffic to the extent that BellSouth cannot distinguish between Local Traffic and intraLATA toll traffic. Companies agree, subject to the first sentence of this Paragraph, to use NXX codes in a manner that will allow BellSouth to distinguish Local Traffic (measured and flat rate) from intraLATA toll traffic. In the event a third-party becomes numbering administrator, BellSouth agrees, if it is the Companies' CMDS host, to support the Companies' requests and assist the Company in obtaining Revenue Accounting Office codes, and any other billing and accounting codes necessary for the provision of local telephone numbers within BellSouth's jurisdiction. After final telecommunications numbering administration guidelines, plans or rules have been adopted pursuant to Section 251(e) of the Act, the Parties shall comply with such guidelines, plans or rules.

ARTICLE VI
OPERATIONAL MATTERS AND UNBUNDLED NETWORK FEATURES,
FUNCTIONS AND CAPABILITIES.

6.01 A maintenance of service charge shall apply when any Party requests the dispatch of another Party's personnel for the purpose of performing maintenance activity on the interconnection trunks, and any of the following conditions exist:

- a. No trouble is found in the interconnection trunks; or
- b. The trouble condition results from equipment, facilities or systems not provided by the party whose personnel were dispatched; or
- c. Trouble clearance did not otherwise require a dispatch, and upon dispatch requested for repair verification, the interconnection trunk does not exceed Maintenance Limits.

6.02 If a maintenance of service initial charge has been applied and trouble is subsequently found in the facilities of the Party whose personnel were dispatched, the charge will be canceled.

6.03 Billing for maintenance of service is based on each half-hour or fraction thereof expended to perform the work requested. The time worked will be categorized and billed at either basic time, overtime or premium time rates. No Party shall be entitled to charge overtime or premium time rates when it has regular staff available for its own customer or internal needs at the time maintenance of service is requested by the other Party.

6.04 The Parties will provide maintenance to their respective affected service within the following intervals:

60% to 100% of service outage within a trunk group:	within 1 hour
20% to 60% of service outage within a trunk group:	within 4 hours
0% to 20% of service outage within a trunk group:	within 8 hours

6.05 The charges for maintenance of service hereunder will be no higher than the applicable charges as set forth in BellSouth's E13 tariff. The Parties shall exchange maintenance of services contacts and escalation lists.

6.06 In answering misdirected repair calls, no Party shall make disparaging remarks about another, nor shall they use repair calls as the basis for internal referrals or to solicit customers to market services. Any Party may respond with factual information in answering customer questions.

6.07 All Parties shall provide their respective repair numbers to each other for purposes of customer referrals of misdirected repair calls.

6.08 Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of all other Parties to provide Busy Line Verification ("BLV") and Busy Line Verification Interrupt ("BLVI") services on calls between their respective end users.

6.09 BLV and BLVI inquiries between operator bureaus shall be routed using network-routable access codes published in the LERG over inward operator services trunks.

6.10 If any Party purchases BLV or BLVI service, each Party shall charge for the provision of such service at the rates contained in their respective tariffs.

6.11 911 and E911 Service.

a. BellSouth shall provide a list consisting of each municipality in the Territory that subscribes to Basic 911 service. The list will also provide the E911 conversion date and for network routing purposes, a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to 911-service. The Companies shall arrange to accept 911 calls from their customers in municipalities that subscribe to Basic 911 service and translate the 911 call to the appropriate 10-digit directory number as specified on the list provided by BellSouth and route such call to BellSouth at the appropriate tandem or end office.

b. When a municipality converts to E911 service, the Companies shall discontinue the Basic 911 procedures and begin the E911 procedures. The Companies shall connect the necessary trunks to the appropriate E911 tandem(s). If a municipality has converted to E911 service, the Companies shall forward 911 calls to the appropriate E911 primary tandem, along with ANI, based upon the current E911 end office to tandem homing arrangement as provided by BellSouth.

c. In order to ensure the proper working of the system and accurate customer data, the Companies shall provide daily updates to the E911 data-base. BellSouth shall use best faith efforts to work with the Companies to define record layouts, media requirements, and procedures for this process. BellSouth will incorporate all updates received within 24 hours of receipt. BellSouth shall provide the capability for the Companies to transmit E911 information by file transfer to BellSouth's database facility or that of its agent.

d. Where BellSouth is responsible for maintenance of the E-911 database and is compensated for maintaining the Company's information by the municipality, it shall not also be entitled to compensation from the Company, for the same function.

6.12 MSAG. BellSouth shall provide to the Companies at no charge an initial Master Street Address Guide and quarterly updates by NPA, NXX or county.

6.13 Directory Listings and Directory Distribution.

a. Subject to execution of an agreement between BellSouth's affiliate, BellSouth Advertising and Publishing Co. ("BAPCO"), and the Companies attached as Exhibit B, the

execution thereof to be a condition precedent to the effectiveness of this Agreement, (1) the Companies' customers' primary listings shall be included in the appropriate white page (residence and business listings) or alphabetical directories, as well as the directory assistance data-base, (2) the Companies' business subscribers' listings will be included in all appropriate Yellow Pages or classified directories, and (3) copies of directories shall be delivered to Companies' customers; all without charge

b. BellSouth shall provide the Companies with a magnetic tape or computer disk containing the proper format to employ in submitting directory listings and daily updates. The Companies shall provide BellSouth with its directory listings and daily updates to those listings (including new, changed and deleted listings) in a mutually acceptable format. BellSouth shall include the Company's customers in directory assistance databases associated with the areas in which each Company provides Exchange Services to such customers within the same time frame as it includes its own customers in such databases.

6.14 Number Portability.

a. The Parties agree to provide interim Service Provider Number Portability ("SPNP") on a reciprocal basis between their networks to enable their end user customers to utilize telephone numbers associated with an Exchange Service provided by one Party, in conjunction with an Exchange Service provided by the other Party, upon the coordinated or simultaneous termination of the first Exchange Service and activation of the second Exchange Service. The Parties shall provide reciprocal SPNP immediately upon execution of this Agreement via remote call forwarding ("RCF") or Direct Inward Dialing ("DID"). SPNP shall operate as follows:

b. A customer of Party A elects to become a customer of Party B. The customer elects to utilize the original telephone number(s) corresponding to the Exchange Service(s) it previously received from Party A, in conjunction with the Exchange Service(s) it will now receive from Party B. Upon documentation to be agreed upon by the parties and an associated service order assigning the number to Party B, Party A will implement an arrangement whereby all calls to the original telephone number(s) will be automatically forwarded on a multiple-path basis to (a) new telephone number(s) designated by Party B within the same area where the original NXX code is used. Party A will route the forwarded traffic to Party B over the appropriate trunks as if the call was a call which had originated on Party A's network.

c. Party B will become the customer of record for the original Party A telephone numbers subject to the RCF arrangements. Party A will provide Party B a single consolidated master billing statement for all collect and billed-to 3rd-number calls associated with those numbers, with sub-account detail by retained number. Such billing statement shall be delivered via paper, electronic file transfer, daily magnetic tape or monthly magnetic tape (for which monthly option there shall be no charge). Party A shall provide to Party B the EMR detailed records associated with the calls reflected on the master billing statement.

d. Party A may cancel line-based calling cards and will, as directed by Party B, update its Line Information Database ("LIDB") listings for retained numbers subject to RCF, subject to execution of the LIDB storage agreement in the form attached as Exhibit C.

e. Within two (2) business days of receiving notification from the customer, Party B shall notify Party A of the customer's termination of service with Party B, and shall further notify Party A as to the customer's instructions regarding its telephone number(s). Party A will reinstate service to the customer, cancel the RCF arrangement, or redirect the RCF arrangement pursuant to the customer's instructions at that time. Nothing herein shall preclude the customer or a third party with proper approval, or Party A, from dealing directly with the customer and carrying out the foregoing at the direction of the customer.

f. The Parties will migrate from RCF or DID to Permanent Number Portability as soon as practically possible, without interruption of service (to the degree possible) to their respective customers.

g. The Parties shall provide RCF arrangements to each other at identical monthly rates. Recurring charges shall not exceed the actual cost of providing the service. There shall be no non-recurring charges. Until otherwise verified by reliable cost studies, actual cost for recurring charges are as follows:

1. Residential Services - \$1.15 per line, including 6 call paths;
2. Business Service - \$2.25 per line, including 10 call paths;
- and
3. Each additional path - \$.50.

h. DID service provides trunk side access to end office switches for direct inward dialing to the other Party's premises equipment from the telecommunications network to lines associated with the other Party's switching equipment; and must be provided on all trunks in a group arranged for inward service. A SPNP-DID trunk termination, provided with SS7 Signaling only, charge (subject to Paragraph 6.14(i)) applies for each trunk voice grade equivalent. In addition, direct facilities are required from the end office where a ported number resides to the end office serving the ported end user customer. Transport mileage will be calculated as the airline distance between the end office where the number is ported and the POI using the V&H coordinate method. SPNP-DID must be established with a minimum configuration of two channels and one unassigned telephone number per switch, per arrangement for control purposes. Transport facilities arranged for SPNP-DID may not be mixed with any other type of trunk group, with no outgoing calls placed over said facilities. SPNP-DID will be provided only where such facilities are available and where the switching equipment of the ordering party is properly equipped. Where SPNP-DID service is required from more than one wire center or from separate trunk groups within the same wire center, such service provided from each wire center or each trunk group within the same wire center shall be considered a separate service. Only customer dialed sent paid calls will be completed to the first number of a SPNP-DID number group, however there are no restrictions on calls completed to other numbers of a SPNP-DID number group.

i. The Parties hereby agree to negotiate in good faith for a period of 30 days from the effective date of this Agreement with respect to the recurring and non-recurring charges, if any, for SPNP through DID. For this purpose, BellSouth shall provide Companies with its relevant cost studies, subject to applicable non-disclosure obligations. In the event that the Parties are unable to agree upon the applicable charges, the issue shall be resolved in accordance with the process set forth in Article XX.

j. Upon the final adoption of FCC regulations issued pursuant to Section 251(b)(2) of the Act, the Parties agree to comply with such regulations.

6.15 Unbundling. Upon request from the Companies, BellSouth will provide the Companies nondiscriminatory access to any and all network elements on an unbundled basis at any technically feasible point. Rates, terms and conditions for unbundled elements will be agreed to at the time of request pursuant to Section 252 (d)(1). The Parties agree that BellSouth will provide, if requested by the Companies, the items listed, without limitation, on Exhibit D hereto. BellSouth may add additional services at any time during the term of this Agreement upon written notice to the Companies.

6.16 Access to Poles, Ducts, Conduits and Rights of Way. BellSouth agrees to provide to the Companies, pursuant to 47 U.S.C. § 224, as amended by Section 703 of the Act, nondiscriminatory access to any pole, duct, conduit or right-of-way owned or controlled by BellSouth.

6.17 Service Orders. BellSouth agrees that upon receiving a service order from the Company (which may be transmitted by any means accepted as reliable in the industry) for any customer of BellSouth who wishes to disconnect its service and receive the Company's service, it shall complete the disconnect and provision RCF or DID, if applicable, within 24 hours of BellSouth's receipt of the service order assuming that the necessary DID trunks have already been installed. Whenever possible, disconnects shall be coordinated between the Parties to avoid breaks in service to the end user.

6.18 Disconnection of Customers. BellSouth shall accept any requests from a Company to disconnect the service of an existing BellSouth end user, except for BellSouth Public and Semipublic telephone service, subject to effective contracts with location providers. BellSouth will not require end user confirmation prior to disconnecting the end user's service. BellSouth will accept a request directly from an end user for conversion of the end user's service from a Company to BellSouth or will accept a request from another ALEC for conversion of the SPNP service associated with an end user's service charge from Company to the ALEC. BellSouth will notify the Company that such a request has been processed. This Paragraph 6.18 shall be subject to Section 258(a) and (b) of the Act which prohibits illegal changes of carrier selections and assesses liability for such changes, and any change of service verification procedures which may be promulgated by the FCC. The Companies and BellSouth shall each execute a blanket letter of authorization for each State substantially in the form attached as Exhibit E hereto with respect to customer disconnections. The Parties shall each be entitled to adopt their own internal processes for verification of customer authorization of disconnection of service; provided, however that such processes shall comply with applicable State and federal law and until superseded shall be deemed adequate for purposes of this Agreement if such processes comply with FCC guidelines applicable to Presubscribed Interexchange Carriers (PIC) changes.

6.19 Dialing Party The Parties will ensure that the customers of the other shall not have to dial additional digits or incur dialing delays in order to complete calls as a result of Interconnection.

6.20 Non-Published Numbers The Parties will reciprocally provide their respective numbers and contact names for their non-published bureaus so that each Party's operators will have the capability to contact the other in order to request that a Party's operator notify that Party's end user with a non-published number of an urgent call or emergency at the request of an user of the other Party.

6.21 Resale BellSouth agrees to offer to the Companies for resale all telecommunications services that it offers to retail customers (other than limited promotional offers and grandfathered services that are no longer available to new customers, lifeline or link up services, contract service arrangements, installment billing options, 911 and E911 services, interconnection for mobile service providers, services with legislatively or Commission-mandated special discounts) at its retail prices less the avoided costs referred to in Section 252(d)(3) of the Act, which shall be determined by subsequent agreement of the Parties. Nothing herein shall preclude the parties from agreeing that there are no such avoided costs. If at any time during the term of this Agreement a Commission or court of competent jurisdiction makes a final determination of avoided costs for that particular State, then that determination shall prevail for purposes of this Paragraph unless the Parties previously agreed upon avoided costs. If the Parties cannot agree upon avoided costs, then either Party may invoke the process set forth in Article XX for resolution of the issue.

6.22 Parties' Intent It is the intent of the Parties that the items included in this Article VI and Exhibit D shall comply with the requirements of Sections 251, 252 and 271 of the Act.

ARTICLE VII

CONFIDENTIALITY OF DIRECTORY ASSISTANCE AND

WHITE PAGES LISTINGS.

BellSouth and its Affiliates will afford the Companies' directory listings information the same level of confidentiality which BellSouth affords its own directory listing information, and BellSouth shall ensure that access to Companies' customer proprietary confidential directory information will be limited solely to those employees who immediately supervise or are directly involved in the processing and publishing of listings and directory delivery. BellSouth will not use the Companies' directory listings for the marketing of BellSouth's telecommunications services.

ARTICLE VIII

RESPONSIBILITIES OF THE PARTIES

8.01 At all times during the term of this Agreement or any extension, the Parties agree to use their best efforts to comply with all provisions herein in a fair and nondiscriminatory manner.